

General Fund Revenue Ideas

Tax/Item	FY 03 (in millions)	FY 04
<u>Income Tax</u>		
Increase rate (effective 1/1/03):		
4.5% to 5.0%	230.4	395.0
3.0% to 3.5% & 4.5% to 5.0%	262.5	450.0
4.5% to 5.5%	460.8	790.0
3.0% to 3.5% & 4.5% to 5.5%	490.6	811.3
Change 3.0% bracket to 4.5%	116.7	200.0
Increase rate (effective 1/1/03):		
4.5% to 5.0% for AGI >:		
>\$250,000	81.7	140.0
>\$500,000	58.3	100.0
>\$1,000,000	52.5	90.0
>\$2,000,000	35.0	60.0
Increase rate (effective 1/1/03):		
4.5% to 5.5% for AGI:		
>\$250,000	163.3	280.0
>\$500,000	128.3	220.0
>\$1,000,000	99.2	170.0
>\$2,000,000	75.8	130.0
Eliminate standard exemption & phase-down above \$12k - single, \$19k - head of house, \$24k - joint	116.7	210.0
Reduce Property Tax Credit:		
Eliminate credit for AGI >\$200,000	5.0	5.0
Eliminate credit at the end of phase-down schedule	5.5	5.5
Eliminate credit at the beginning of phase-down schedule	72.0	72.0
Accelerate phase-down of credit & eliminate at top end	20.0	20.0
Reduce credit levels, maximum credit \$425	50.0	50.0
Reduce credit levels, maximum credit \$350	100.0	100.0
Repeal credit	390.0	390.0
<u>Sales & Use Tax</u>		
Increase rate (effective 1/1/03):		
6.0% to 6.25%	62.0	129.0
6.0% to 6.50%	123.0	258.0
6.0% to 6.75%	183.0	384.0
6.0% to 7.0%	243.0	508.0
10% Luxury Tax on Cars Over \$50k	1.0	2.0
Eliminate Trade-In of a Car to Calculate Tax on New Vehicle	17.5	35.0

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Impose the Sales & use tax on the following services (effective 1/1/03):		
Hair, Nail & skin Care Services	8.6	17.7
Laundry & Dry Cleaning Services (includes coin-operated)	8.2	16.9
Real Estate Appraisal Services	1.3	2.7
Appraisal Services (except real estate)	0.1	0.2
Architect & Engineering Services	3.7	7.5
Surveying & Mapping Services	1.2	2.4
Brokerage Commissions	17.9	36.8
Banking Services	29.4	60.5
Accounting Services	23.5	48.4
Legal Services	49.6	102.2
Physician Services	673.3	1,386.9
Dental Services	20.7	42.7
Chiropractic Services	2.6	5.4
Optometrist Services	1.9	3.9
Mental Health Practitioner Services	1.2	2.6
Physical Therapist, Occupational & Speech Therapist, Audiologist	5.8	12.0
All Other Health Practitioner Services (Podiatrists, etc)	1.6	3.2
Veterinary Services	3.4	7.1
Outpatient Care Centers	5.2	10.6
Medical & Diagnostic Laboratories	8.7	17.8
Home Health Care Services	9.2	19.0
Other Ambulatory Health Care Services	4.6	9.4
Residential Mental Retardation/Health & Substance Abuse Facilities	1.2	2.5
Community Care Facilities for the Elderly	1.9	3.8
Other Residential Care Facilities	0.2	0.3
Individual & Family Services	1.0	2.0
Vocational Rehabilitation Services	0.2	0.4
Child Day Care Services	3.4	7.0
Taxi Services	0.5	0.9

Corporation Tax

Increase rate from 7.5% to 8.5%	20 to 30
Throwout	5 to 8
Throwback	6 to 10
Eliminate combined reporting	30 to 40
Eliminate dividends exclusion	25 to 33
Eliminate R&D credit exchange	15.0

Real Estate Conveyance Tax

Increase tax on residential property over \$800k from 1% to 1.5%	6.0	12.0
Increase tax on non-residential property from 1% to 1.5%	4.0	8.0

Inheritance & Estate Tax

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Decouple from Federal Estate Tax	-	62.0
<u>Public Utility Companies Tax</u>		
Increase rate from 5% to 6%	18.0	36.0
<u>Oil Companies Tax</u>		
Increase rate from 5% to 6%	11.0	22.0
<u>Cigarette Tax</u>		
Increase rate (effective 1/1/03):		
\$1.11 to \$1.25	14.7	24.5
\$1.11 to \$1.50	39.8	66.1
\$1.11 to \$1.75	63.3	104.5
\$1.11 to \$2.00	85.4	140.8
<u>Alcoholic Beverage Tax</u>		
Increase rates (effective 1/1/03):		
By 25%	4.8	9.5
By 50%	9.7	19.0
By 75%	14.5	28.3
By 100%	19.5	38.3
<u>Miscellaneous</u>		
Mortgage Recording Tax	56.2	112.3
<u>Tax Base</u>		
All mortgages, refinancings and home equity loans		
<u>Exemptions:</u>		
First \$200,000 of First Mortgage of Principal Place of Residence		
\$25,000 of Home Equity Loans & Second Mortgages		
<u>Tax Rate:</u>		
Principal Place of Residence	5.0 Mills on \$200,000 to \$500,000	
	10.0 Mills on \$500,000 and over	
Commercial Mortgages	5.0 Mills on below \$500,000	
	10.0 Mills on \$500,000 and over	